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**February 29, 2008**

\*\*This edition of the COD Processing Update will remain on the [COD Web site](#) until a new edition is posted. We will notify schools via a COD Web Message when a new edition has been posted.\*\*

## *Direct Loan Program*

### **COD News**



#### **Direct Loan Bulletin 08-05 Released (02/29/08)**

Direct Loan Bulletin 08-05 was released to schools from the COD School Relations Center on February 29, 2008 and will be posted on [the Information for Financial Aid Professionals \(IFAP\) Web site](#). This bulletin provides operational guidance for schools and third party software providers on implementing the latest reduction in the origination fee. In summary—

- For *all* Direct Subsidized Loans and Direct Unsubsidized Loans that are first disbursed on or after July 1, 2008 and before July 1, 2009, the origination fee is changing from 2.5 percent to 2.0 percent.
- The Direct PLUS Loan origination fee is not changing and will remain at 4 percent for Direct PLUS Loans made to both parent and graduate/professional student borrowers.
- The up-front interest rebate amount is not changing and will remain at 1.5 percent for Direct Subsidized Loans, Direct Unsubsidized Loans, and Direct PLUS Loans.
- Beginning with implementation of the COD System for the 2008-2009 Award Year (scheduled to occur during the period March 14-15, 2008), the COD System will process awards with the 2.0 percent origination fee. The COD System will continue to accept awards with a 2.5 percent or 3.0 percent origination fee, as appropriate, based on the earliest disbursement date.

If you would like to be added to or removed from the Direct Loan Bulletin distribution list, please submit an e-mail to [CODSupport@acs-inc.com](mailto:CODSupport@acs-inc.com) with the subject line of “DLB Distribution”.

#### **2008-2009 COD Technical Reference February 2008 Updates Now Available (02/28/08)**

The [2008-2009 COD Technical Reference February 2008 Updates](#) are available on the Information for Financial Aid Professionals (IFAP) Web site. The 2008-2009 COD Technical Reference consists of multiple volumes that contain development information for the 2008-2009 Award Year. For a complete list of updates, refer to the “0809 COD Technical Reference February 2008 Change Tracking Log.” If you have any questions about this material, contact the COD School Relations Center.



### **TEACH Grant Operational Implementation Guidance – COD Common Record XML Schema Version 3.0a Now Available [02/12/08 (Updated 02/21/08)]**

The College Cost Reduction and Access Act (the CCRAA), Pub. L. 110-84, created the Teacher Education Assistance for College and Higher Education (TEACH) Grant Program. This program is effective beginning with the 2008-2009 Award Year and provides up to \$4,000 a year in grant assistance to students who plan on becoming a teacher and meet certain specified requirements. If a student who receives a TEACH Grant does not complete the required teaching, the grant must be repaid as a Direct Unsubsidized Loan under the William D. Ford Federal Direct Loan Program.

**Note:** For policy information on all of the provisions of the CCRAA, including the TEACH Grant Program, refer to [Dear Colleague Letter GEN-08-01 available on the Information for Financial Aid Professionals \(IFAP\) Web site](#).

In June 2008, Federal Student Aid will implement COD System functionality that will support the processing of TEACH Grant awards for the 2008-2009 and subsequent award years. On February 20, 2008, Federal Student Aid communicated about the implementation of a new version of the COD Common Record Extensible Markup Language (XML) Schema. The new version – 3.0a – of the COD Common Record XML Schema incorporates 1) a new block for TEACH Grant awards and 2) other changes throughout the schema to comply with standards established by the Postsecondary Electronic Standards Council (PESC).

Federal Student Aid is phasing in required use of COD Common Record Schema Version 3.0a.

- Use of the new schema version for the 2008-2009 Award Year will be required only for TEACH Grant Common Record documents.
- Use of the new schema version for all Common Record documents will be required beginning with the 2009-2010 Award Year.

For complete information about the new schema version, refer to [“COD Common Record XML Schema Version 3.0a” on the IFAP Web site](#). Federal Student Aid posted updated sections of the [2008-2009 COD Technical Reference](#) on the [IFAP Web site](#). If you have any questions about these materials, contact the COD School Relations Center.

As a reminder, over the next several months Federal Student Aid will post numerous communications about the operational implementation of CCRAA provisions, including the TEACH Grant Program for the 2008-2009 Award Year. All participants in the Federal student aid programs should continue to refer to the [IFAP Web site](#) for applicable guidance and information.



### **Updating School Contact Information in the COD System (02/29/08)**

Federal Student Aid wants to remind all schools and third party servicers that contact information in the Common Origination and Disbursement (COD) System must be kept current. Contact information is extremely important for the COD School Relations Center. Of utmost importance are e-mail addresses and mailing addresses.

- The e-mail address for the Financial Aid Administrator is used to deliver time-sensitive materials and critical COD processing information to the school.



- For a Direct Loan school, correct mailing address information ensures that Direct Loan closeout letters are delivered timely and to the correct place.

Please ensure that all contact information is updated as needed.

### **Submitting Updates to School Contact Information**

Depending on the type of information to be updated, a school must submit updates in one of the following two ways:

1. In accordance with 34 CFR 600.21, most changes must be reported using the [Electronic Application for Approval to Participate in Federal Student Financial Aid Programs \(E-App\)](#). This includes changes to the following information:
  - School name
  - School address (including any branches and locations)
  - Names of the President (or equivalent title), Chief Financial Officer (or equivalent title), and Financial Aid Administrator (or equivalent title)
  - Telephone numbers and e-mail addresses for the above officials

Once the E-App is processed, the [COD Web site](#) is updated within 24 hours. It may take longer if there is additional information required by the School Participation Team (formerly known as the Case Management and Oversight Division).

2. Two specific changes can **only** be made via the [COD Web site](#). These are changes to the Direct Loan Officer contact information/ mailing address and the Pell Grant Officer contact information/ mailing address. To view and/or update the current contact information for these officers, complete the following steps:
  - Log in to the [COD Web site](#).
  - From the School tab, select the “Financial Aid Contact” link (located under the School Information menu). The School Financial Aid Contact Information screen displays the current information for the school.
  - Update or add new contact information by clicking on the “Update” or “Add New” button in the heading for the officer to be updated.
  - Complete the new information and submit the changes.

This information will be processed and updated immediately on the [COD Web site](#).

An [Electronic Announcement](#) with this same information is posted on the Information for Financial Aid Professionals (IFAP) Web site. If you have any questions about updating your school’s contact information, contact the COD School Relations Center.



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## Reports and Data Requests



### NOTICES

This section contains important notices regarding reports and/or data requests. While we encourage you to review this section, note that some schools may not be impacted by the information presented below.

- Direct Loan Rebuild File—

Schools in need of this file should contact the COD School Relations Center.



## *ACG, National SMART Grant, and Pell Grant Programs*

### COD News

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As a reminder, over the next several months Federal Student Aid will post numerous communications about the operational implementation of CCRAA provisions, including the TEACH Grant Program for the 2008-2009 Award Year. All participants in the Federal student aid programs should continue to refer to the [IFAP Web site](#) for applicable guidance and information.

### **2005-2006 Pell Grant CFL Reduction To G5 Net Drawdown Warning Message (02/21/08)**

At this time, all Federal Pell Grant (Pell Grant) funds for the 2005-2006 Award Year should have been disbursed to students. In general, schools are to submit Pell Grant disbursements to the Department of Education (the Department) no later than 30 days after making an actual disbursement or becoming aware of the need to adjust a student's previously reported disbursement. Accordingly, disbursements and disbursement adjustments for the 2005-2006 Award Year should have already been submitted to the Common Origination and Disbursement (COD) System for processing.

### **2005-2006 CFL Reduction to G5 Net Drawdown Warning Message Sent on February 20, 2008**

On February 20, 2008, Federal Student Aid sent a message to schools that have a G5 (formerly GAPS) Pell Grant authorization, known in the COD System as Current Funding Level (CFL), for the 2005-2006 Award Year that is greater than their Net Drawdown amount reflected in the COD System and in G5. The message warns an affected school that its 2005-2006 Pell Grant CFL will be reduced to the G5 Net Drawdown if the CFL is still greater than the G5 Net Drawdown on March 19, 2008. When the actual reduction occurs on March 19<sup>th</sup>, the school will have a reduced authorization in G5 and will receive an Electronic Statement of Account (ESOA) that reflects the revised authorization.

Federal Student Aid sent the February 20, 2008 warning message to an affected school's Student Aid Internet Gateway (SAIG) mailbox in the message class PGTX06OP. A school that receives the warning message should review its internal records and its CFL, G5 Net Drawdown, and Net Accepted and Posted Disbursements (NAPD) reflected in the COD System as soon as possible. The school should submit all outstanding downward disbursement adjustments to the COD System and/or request any outstanding drawdown from G5 for the 2005-2006 Award Year as soon as possible but before March 19, 2008.

This same information is posted in [a February 21, 2008 Electronic Announcement on the Information for Financial Aid Professionals \(IFAP\) Web site](#). If you have any questions regarding the 2005-2006 Pell Grant CFL reduction to G5 Net Drawdown, contact the COD School Relations Center.

### **E-mail Outreach Regarding ACG And National SMART Grant Participation (02/20/08)**

On February 19, 2008, Federal Student Aid communicated via e-mail to Financial Aid Administrators at approximately 1,000 schools that had not yet submitted origination and disbursement records reflecting participation in the Academic Competitiveness Grant (ACG)





Program and/or the National Science and Mathematics Access to Retain Talent Grant (National SMART Grant) Program for the 2006-2007 and 2007-2008 award years. These e-mails were disseminated by the COD School Relations Center ([CODSupport@acs-inc.com](mailto:CODSupport@acs-inc.com)) on behalf of William Leith, Acting General Manager of Federal Student Aid's Application, Operations and Delivery Services.

Federal Student Aid has asked each affected school to review its records and processes regarding compliance with the ACG Program and/or National SMART Grant Program regulations and then complete and return a certification for one program or both programs, as applicable. The certifications are to be mailed or faxed to the COD School Relations Center by April 21, 2008.

If you received one of these outreach e-mails and have any questions, you may contact the COD School Relations Center.



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Federal Student Aid wants to remind all schools and third party servicers that contact information in the Common Origination and Disbursement (COD) System must be kept current. Contact information is extremely important for the COD School Relations Center. Of utmost importance are e-mail addresses and mailing addresses.

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- Complete the new information and submit the changes.

This information will be processed and updated immediately on the [COD Web site](#).

An [Electronic Announcement](#) with this same information is posted on the Information for Financial Aid Professionals (IFAP) Web site. If you have any questions about updating your school’s contact information, contact the COD School Relations Center.



### **ACG and National SMART Grant Resources (02/29/08)**

As a reminder, the Department of Education (the Department) has posted a number of Dear Colleague Letters and Electronic Announcements that communicate regulatory, policy, and operational information related to the implementation of the Academic Competitiveness Grant (ACG) and National Science and Mathematics Access to Retain Talent Grant (National SMART Grant) programs. In addition, Federal Student Aid has updated the [2006-2007 COD Technical Reference](#), the [2007-2008 COD Technical Reference](#), and posted the [2008-2009 COD Technical Reference](#). A school should refer to the [communications posted on the Information for Financial Aid Professionals \(IFAP\) Web site](#) and to the 2006-2007, 2007-2008, and 2008-2009 COD technical references for complete information about the ACG and National SMART Grant programs.

More specifically, the 2006-2007, 2007-2008, and 2008-2009 COD technical references cover all aspects of the operational implementation of the ACG and National SMART Grant programs. This includes information on the following key aspects of ACG and National SMART Grant processing:

- Financial Award ID and Financial Award Number (Award Sequence Number)  
Volume II, Section 1 “Implementation Guide”
- Citizenship and Student Level Code  
Volume II, Section 1 “Implementation Guide”
- Message Classes  
Volume II, Section 2 “Message Classes”
- Common Record Layout  
Volume II, Section 3 “Common Record Layout”
- Reports Generated by COD System  
Volume VI, Section 8 “COD Reports”
- Eligibility/Payment Reason and Rigorous High School Program Code for ACG





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Volume VI, Section 9 “Rigorous Secondary School Programs of Study, and Eligible Majors”

- Major/Classification of Instructional Program (CIP) Code for National SMART Grant Volume VI, Section 9 “Rigorous Secondary School Programs of Study, and Eligible Majors”

If your school needs help locating information related to the operational implementation of the ACG and National SMART Grant programs, contact the COD School Relations Center.

***Note for EDEExpress Users:*** Volume III of the 2006-2007, 2007-2008, and 2008-2009 COD technical references provides additional guidance for schools that use EDEExpress in combination with another system. If your school needs help locating information related to EDEExpress, contact CPS/SAIG Technical Support at 880/330-5947 or by e-mail at [CPSSAIG@ed.gov](mailto:CPSSAIG@ed.gov).